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Report Highlights:

FAS/Moscow has decreased the 2013 Russian grain crop estimate by 1.5 million metric tons (MMT) to 88.5 MMT as a result of recent data from the Ministry of Agriculture on the grain harvest progress. This level is still 25 percent more than the drought-affected 2012 crop, and almost 2 MMT more than the previous 5 year's average (2008-2012). The estimate includes 51.5 MMT of wheat (down 1.5 MMT from the previous FAS/Moscow estimate), 15.2 MMT of barley (0.8 MMT decrease from the previous estimate), a record 9.7 MMT of corn (a 0.7 MMT increase from the previous estimate), and approximately 12 MMT of other grains and pulses. FAS/Moscow also decreased the forecast for Russia's 2013/14 grain exports by 2 MMT to 20 MMT. These exports include 15.0 MMT of wheat, 2.5 MMT of barley, 2.0 MMT of corn, and approximately 0.5 MMT of other grains and pulses.

Production:

FAS/Moscow has updated the grain crop estimate for 2013 based on the current data on grain harvest progress, and decreased Russia's total grain crop forecast by 1.5 million metric tons (MMT) to 88.5 MMT. This is still 25 percent (17.5 MMT) more than the drought-affected crop of 2012, and almost 2 MMT more than the previous 5 year average (2008-2012). The forecast includes 51.5 MMT of wheat (1.5 MMT less than FAS/Moscow's previous estimate), 15.2 MMT of barley (0.8 MMT lower than the previous estimate), 9.7 MMT of corn (0.7 MMT higher than the previous estimate), and approximately 12 MMT of other grains and pulses.

Harvest Progress

Very heavy rains throughout September in European Russia disrupted the harvest of most spring grains and negatively impacted yields of wheat, barley and some other earlier-harvested spring grains. In fact, rainfall in September in European Russia was the highest during that month in over 100 years. However, in the first two weeks of October 2013, weather in the Central and Southern Federal Districts of Russia improved, and harvesting accelerated of late-harvested spring crops, such as corn and sunflowerseed. Spells of rainy and cold weather have also interrupted the wheat harvest in Siberia, although even with these delays the size of the crop there is still expected to be significantly above last year.

According to Russian Ministry of Agriculture's data¹, as of October 22, 2013, Russian farmers harvested 88.5 million metric tons (MMT) of grain and pulses in bunker weight² [2] from 39.9 million hectares, or 91 percent of planned harvest area. The amount of grain harvested so far is 16.6 MMT higher than last year (when the crop was 71.9 MMT by the same date) but below the excellent crop of 2011 (when 94.6 MMT were harvested by the same date).

As of October 22, 2013, 53.1 MMT of wheat was harvested from 22.8 million hectares, or 94.9 percent of planned harvest area. In 2012, by the same date farmers harvested 39.6 MMT from 21.2 million hectares, and in 2011 – 58.7 MMT from 24.6 million hectares. By October 22, 2013, wheat was harvested on 95 percent of planned area in the Central Federal District (FD), 98 percent in the Southern FD, 99 percent in the North Caucasus FD, 93 percent in the Volga Valley FD, 94 percent in Ural FD, and 94 percent in Siberia FD. Farmers have already harvested all the fields with potentially high yields, and the remaining fields, if harvested at all, are unlikely to add significant volumes to the total wheat crop. In September 2013, harvesting in Central European Russia and in Siberia has been interrupted by spells of heavy rains, which affected yield and quality. In addition, rainy weather increases moisture content of grain, and after drying the clean weight of this grain may reduce by 6-7 percent.

Table 1. Wheat (Winter and Spring) Harvest Progress by October 22 2013

¹ Ministry of Agriculture does not provide data on harvests from small private farms.

² All weights are in bunker weight that is 5-8 percent bigger than the clean weight.

	Planned wheat harvest area, 1,000 ha	Harvested area by Oct. 22, 2013, 1,000 ha	Harvested Area by Oct. 22, 2012 1,000 ha	Harvested wheat (bunker weight) by Oct. 22, 2013 1,000 MT	Harvested wheat (bunker weight) by Oct. 22, 2012 1,000 MT
Russia, Total	24,011.4	22,797.1	21,217.3	53,125.3	39,584.3
Central FD	3,579.9	3,397.9	3,328.6	11,754.8	8,922.4
N.-West FD	91.7	84.3	86.7	268.6	249.7
Southern FD	4,649.5	4,550.4	4,153.5	14,371.5	11,547.8
N. Caucasus FD	1,928.2	1,911.4	1,670.7	5,817.9	3,812.1
Volga Valley FD	5,326.2	4,945.4	4,882.7	8,234.2	6,835.4
Ural FD	2,255.6	2,108.3	1,869.5	2,922.6	2,269.6
Siberia FD	6,098.7	5,720.0	5,087.4	9,637.7	5,739.1
Far East FD	81.4	79.5	138.2	118.0	208.3

Source: The Russian Ministry of Agriculture.

For barley, as of October 22, 2013, farmers harvested 15.7 MMT from 7.7 million hectares, or 91 percent of area planned for harvest. On the same date in 2012, farmers harvested 14.5 MMT from 7.6 million hectares, and in 2011 – 17.5 MMT from 7.7 million hectares. The barley harvest has been almost completed all throughout Russia, and the remaining 9 percent of area to be harvested (according to official data) is primarily of low-yielding fields, some of which may not be harvested at all.

Corn harvesting is in full swing, and although in some provinces of European Russia in September the harvest was interrupted by rains, Russian farmers still expect a record corn crop. As of October 22, 2013, farmers harvested 5.3 MMT of corn from 995,700 hectares, or 41 percent of planned corn harvest area (2.42 million hectares). By the same date last year 5.5 MMT of corn were harvested from 1.3 million hectares, and in 2011 – 3.4 MMT from 776,400 hectares. The average corn yield so far has been higher than in 2012 and in 2011 – 5.28 MT/ha in 2013 compared to 4.10 MT/ha in 2011 and 4.40 MT/ha in 2011.

As of October 22, 2013, rice was harvested from 126,000 hectares, or 66 percent of sown area. In 2012, by the same date farmers harvested 172,700 hectares, and in 2011 – 148,500 hectares. Russia's total rice crop (as of October 22, 2013) in rough weights was 652,500 MT. By the same date last year farmers harvested 1.1 MMT of rice and in 2011 – 806,000 MT.

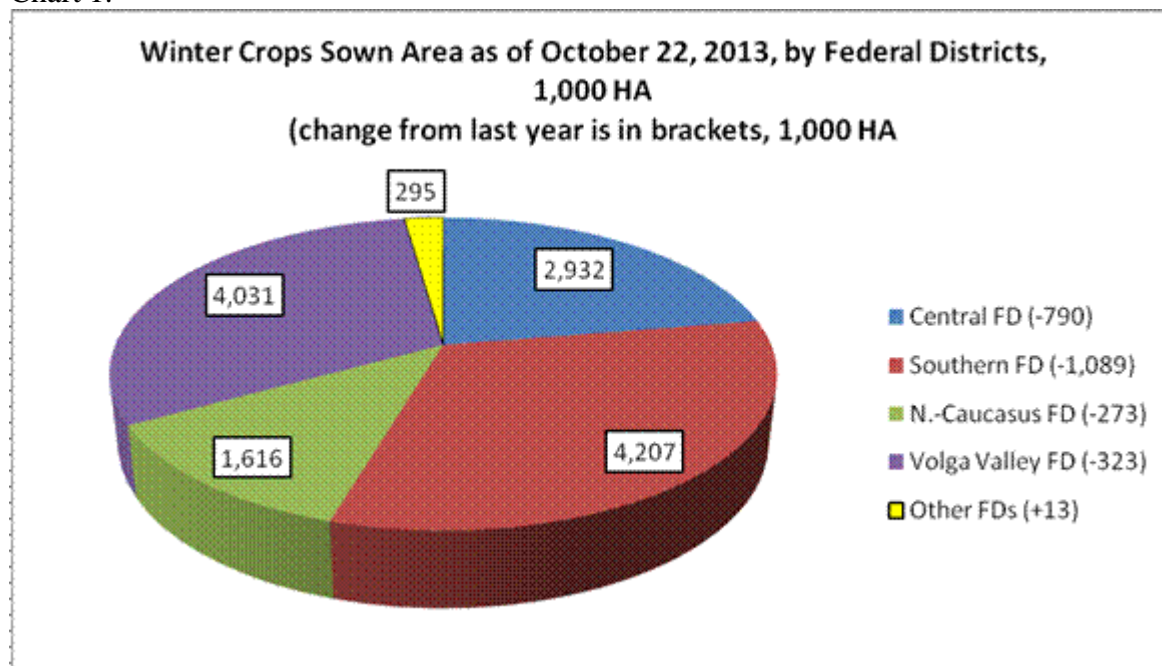
Winter grain sowing

Winter grain sowing in European Russia has been significantly delayed this year because of the continued wet weather, and it is likely that this will result in lower final winter sown area. In addition, late sowing could also have an impact on next year's yields. As of October 22, 2013, winter crops (primarily grains and small amounts of winter fodder crops) were sown on 13.1 million hectares, or 79.9 percent of the planned winter crops area. By the same date in 2012 winter crops were sown on 15.5

million hectares, and in 2011 – on 14.9 million hectares. By federal districts, winter crops were sown as follows (by October 22, 2013):

- In the Central Federal District, where the window for sowing winter crops is almost over, farmers have planted 2.93 million hectares, or only 75.5 percent of what they were planning to plant. By the same date last year 3.70 million hectares had been sown to winter crops;
- In the Southern Federal District, farmers planted 4.21 million hectares winter crops, or 78.9 percent of their planned area. By the same date last year they planted to winter crops or 5.26 million hectares. Although the more mild climate in the South allows winter grain to be sown throughout October, and so winter grain may continued to be sown there, it is still unlikely that area planted will reach the level of 2012. As of October 22, Krasnodar kray has sown 1.14 million hectares (1.47 million hectares at the same time in 2012), Volgograd oblast – 1.11 million hectares (1.38 million hectares in 2012), and Rostov oblast has sown 1.82 million hectares (2.17 million hectares in 2012);
- In the North Caucasus Federal District by October 22, 2013, farmers planted 1.62 million hectares to winter crops, or 77.6 percent of what they planned to plant, compared to 1.88 million hectares by the same date last year. Of this area, farmers in Stavropol kray planted 1.51 million hectares compared to 1.82 million hectares by the same date last year;
- Although winter crops sowing in the Volga Valley Federal District is not as delayed as in other districts, it is still unlikely for winter sown area to increase this year there. As of October 22, 2013, farmers planted 4.03 million hectares to winter crops (85.2 percent of planned area) compared to 4.35 million hectares by the same date in 2012;
- Winter crops sowing in other federal districts (North-West, Ural, Siberia, and Far East) is very small, and by October 22, 2013 farmers in all these districts planted approximately 0.3 million hectares, a 4 percent (13,000 hectares) increase from last year.

Chart 1.

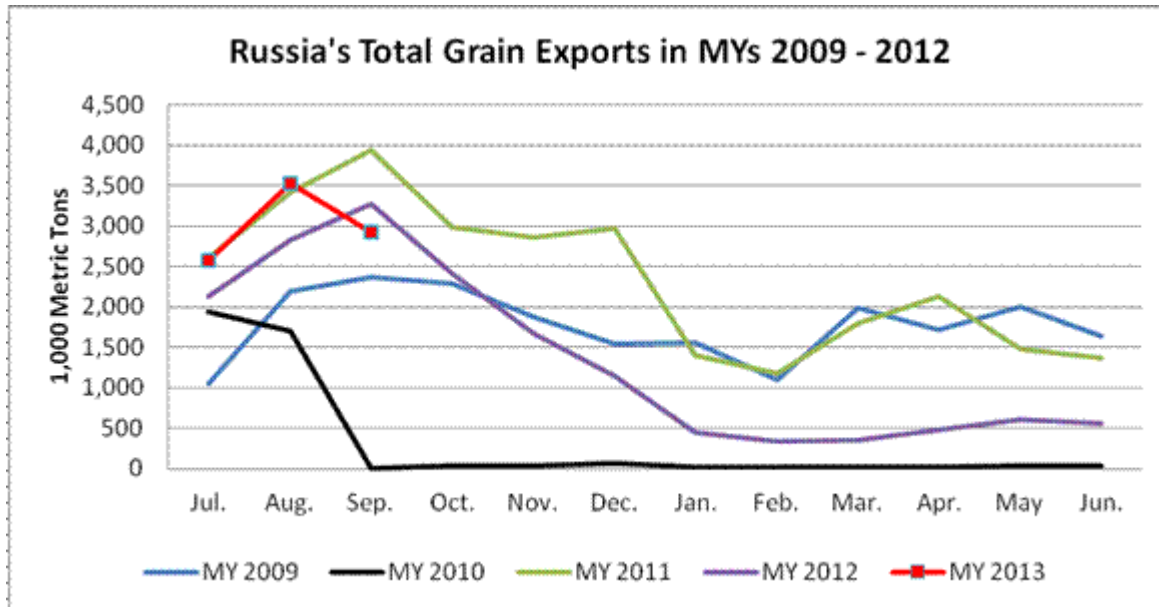


Source: FA/Moscow calculations based on the Russian Ministry of Agriculture's winter sowing updates

Trade:

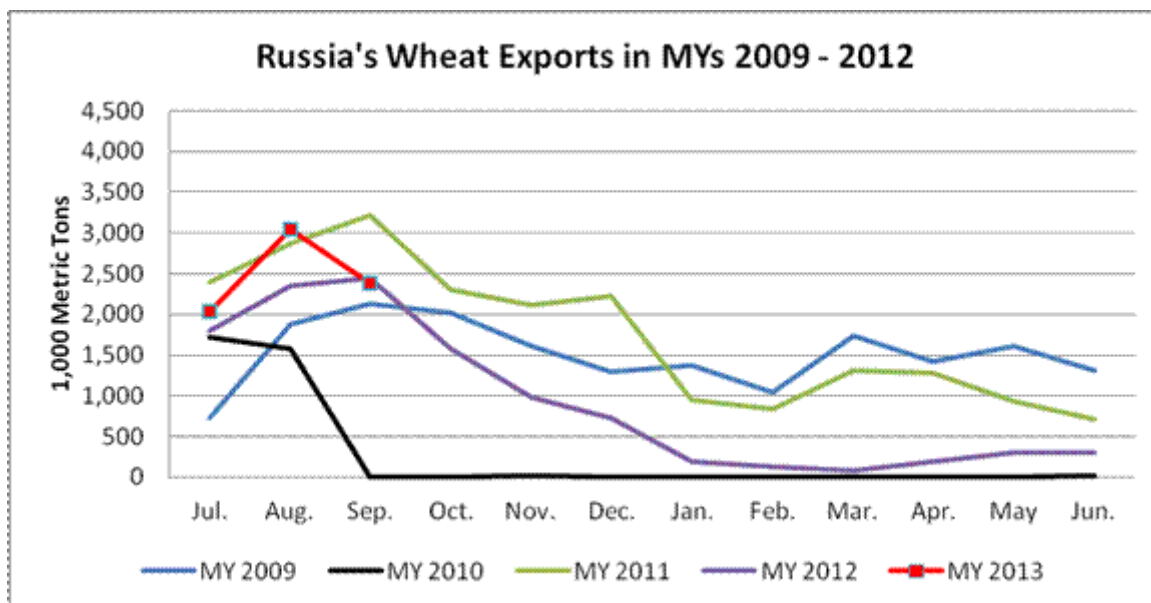
As a result of the lower crop, and some quality concerns, FAS/Moscow decreased the forecast for Russian grain exports in MY 2013/2014 by 2 MMT to slightly over 20 MMT. This includes 15 MMT of wheat (1 MMT down from the previous forecast), 2.5 MMT of barley (0.5 MMT less than the previous forecast), 2 MMT of corn (the forecast is unchanged), and slightly more than 0.5 MMT of other grains and pulses. In July – September, 2013 Russia already exported 9.0 MMT of grain and pulses. These exports include 7.46 MMT of wheat, 1.22 MMT of barley, 0.17 MMT of corn, 0.12 MMT of pulses and 76,000 metric tons (MT) of other grains, including approximately 40,000 MT of flour in grain equivalent. Grain exports slowed down in September, and dropped below September export volumes in MY 2012/2013 and MY 2011/2012.

Chart 2.



Source: Russian State Customs Service

Chart 3.



Source: Russian State Customs Service

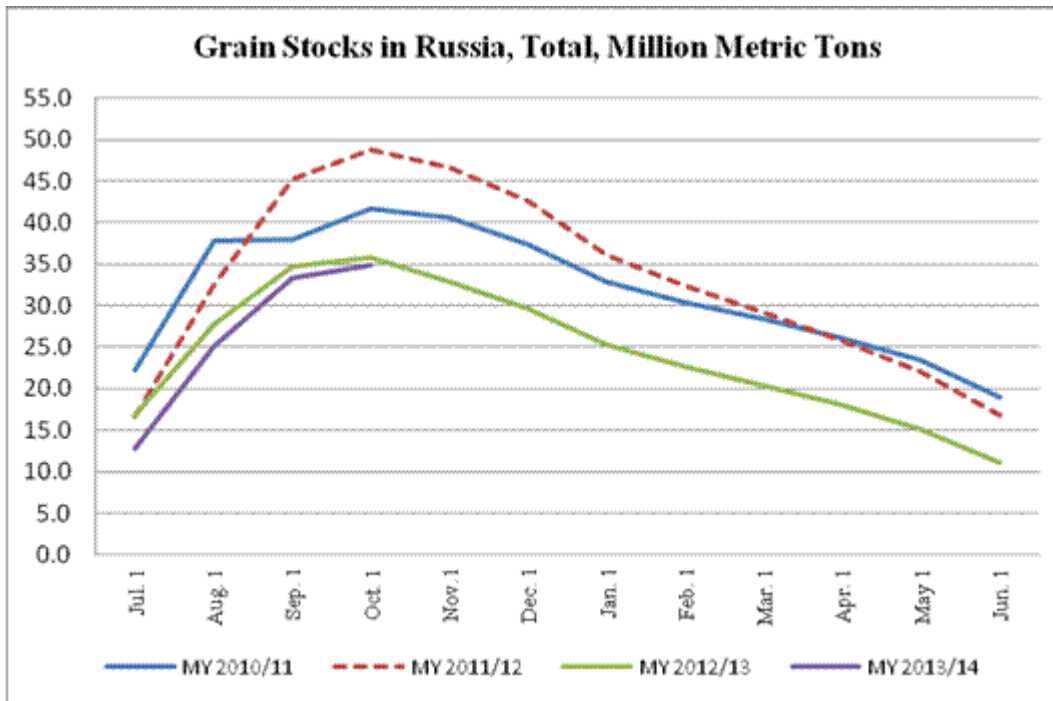
Stocks:

As the harvest has progressed, Russia's grain stocks at farms, elevators, at assembling and processing enterprises have been increasing. According to Rosstat data³, by October 1, 2013, grain stocks reached 34.8 MMT, a 5 percent increase from September 1, 2013. However, these stocks are still the lowest October stocks in the last four years (Chart 4). Despite a good grain crop in Southern European Russia (the major grain exporting area), grain stocks in this area remain at nearly the same level as this time last year, when grain production was significantly smaller (Chart 5).

According to Rosstat, the grain stocks held by agricultural enterprises increased in the fall 2013 compared to the fall 2012, while grain stocks held by assembling and processing enterprises decreased. On October 1, 2013, grain stocks at agricultural enterprises were 24.2 MMT, 2.5 MMT, or 11.2 percent more than on October 1, 2012. Meanwhile, grain stocks held at assembling and processing enterprises on October 1, 2013, were only 10.6 MMT, 3.4 MMT, or 24.1 percent less than on October 1, 2013. Wheat stocks at assembling and processing enterprises remained the lowest in the last four years (Chart 6).

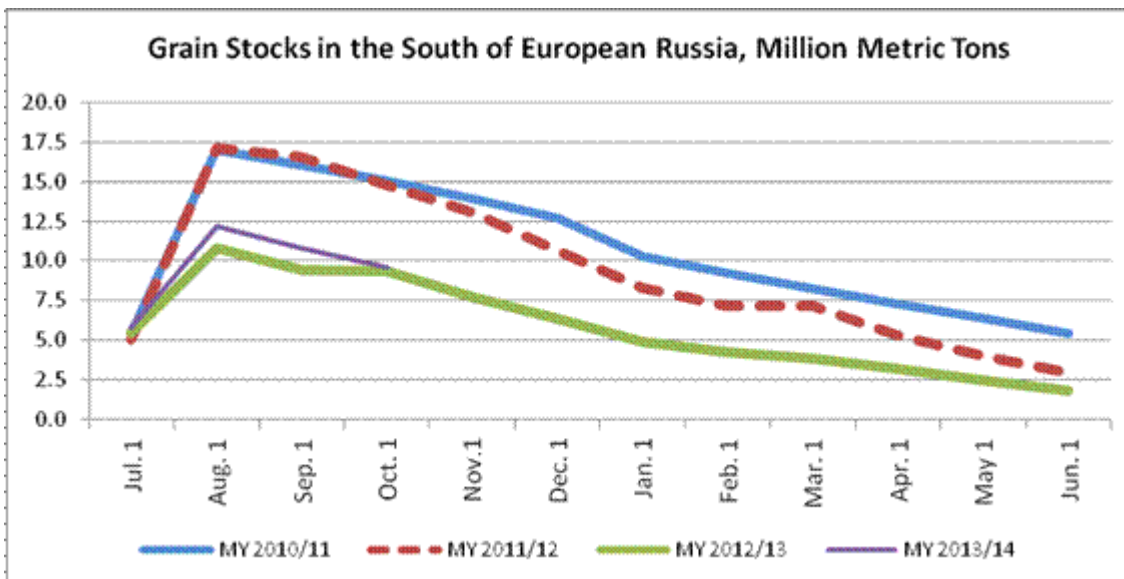
Chart 4.

³ Rosstat monthly data do not include grain stocks at small farms, and at individual households. The latter may have stocks of grain that they produced themselves and also received from big farms and agricultural enterprises as in-kind paid wages or payments for leased land shares.



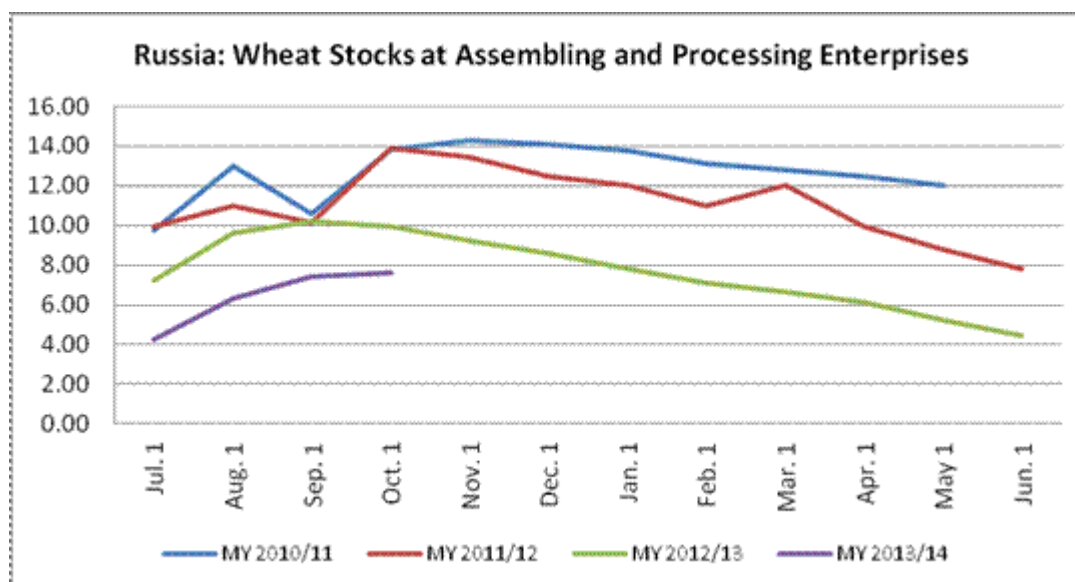
Source: Rosstat

Chart 5.



Source: Rosstat

Chart 6



Source: Rosstat

Policy:

In light of the severe delay in winter grain sowing, and expected decline in winter grain area as a result, Nikolay Fyodorov, Russia's Agricultural Minister, reported that Russian farmers may need larger federal support for increased spring sowing in 2014. However, additional federal support of crop producers in 2014 may be unlikely, given the federal budget constraints and increased support of the flood-affected agriculture in the Far East in the fall 2013.

On October 15, 2013, the government began grain purchases (of 2013 crop supplies) from Siberian producers into the State Intervention Fund. The purchases are scheduled to take place twice a week (Tuesday and Wednesday). During the course of the first four days of these intervention purchases (October 15, 16, 22 and 23) the government purchased 115,425 MT of grain, including 74,115 MT of milling wheat Class 3 at an average price of 6,195 rubles (\$191) per 1 MT, 21,870 MT of milling wheat Class 4 at an average price of 5,988 rubles (\$184) per MT, 7,020 MT of feed wheat Class 5 at an average price of 5,670 rubles (\$174) per MT, and 12,420 MT of feed barley at an average price of 4,932 rubles (\$152) per MT. These prices are higher than the reported market prices for these types of grain in Siberia, but lower than market prices for these grains in all other federal districts of Russia. Thus, as of October 18, 2013⁴, the market price of wheat Class 3 in Siberia was 5,983 rubles (\$184) per MT, in Ural - 6,690 rubles (\$206) per MT, and in Central and the Southern regions of European Russia varied from 7,163 rubles (\$220) per MT to 7,783 rubles (\$239) per MT. The average market prices for wheat Class 4 in Siberia was 5,500 rubles (\$169) per MT, while in other parts of Russia varied from 6,180 rubles (\$190) per MT in Ural to 7,417 rubles (\$228) in the South of European Russia, the major grain exporting area.

Production, Supply and Demand Data Statistics :

PSD, Wheat

Wheat Russia	2011/2012	2012/2013	2013/2014
	Market Year Begin: Jul 2011	Market Year Begin: Jul 2012	Market Year Begin: Jul 2013

⁴ Source: ProZerno

	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	24,814	24,885	21,296	21,296	24,000	24,000
Beginning Stocks	13,736	13,271	10,899	10,899	5,180	5,180
Production	56,240	56,240	37,720	37,720	54,000	51,500
MY Imports	550	550	1,400	1,400	500	500
TY Imports	550	550	1,400	1,400	500	500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	70,526	70,061	50,019	50,019	59,680	57,180
MY Exports	21,627	21,627	11,289	11,289	17,000	15,000
TY Exports	21,627	21,627	11,289	11,289	17,000	15,000
Feed and Residual	15,500	15,035	11,900	11,900	14,500	14,500
FSI Consumption	22,500	22,500	21,650	21,650	22,000	21,500
Total Consumption	38,000	37,535	33,550	33,550	36,500	36,000
Ending Stocks	10,899	10,899	5,180	5,180	6,180	6,180
Total Distribution	70,526	70,061	50,019	50,019	59,680	57,180

1000 HA, 1000 MT, MT/HA

PSD, Barley

Barley Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7,695	7,695	7,631	7,760	8,200	8,000
Beginning Stocks	1,386	1,380	848	848	714	714
Production	16,938	16,938	13,952	13,952	17,000	15,200
MY Imports	368	368	250	250	250	300
TY Imports	372	372	250	250	250	300
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	18,692	18,686	15,050	15,050	17,964	16,214
MY Exports	3,544	3,544	2,236	2,236	3,300	2,500
TY Exports	3,668	3,668	2,300	2,300	3,300	2,500
Feed and Residual	9,800	9,794	7,700	7,700	8,500	8,000
FSI Consumption	4,500	4,500	4,400	4,400	4,800	4,400
Total Consumption	14,300	14,294	12,100	12,100	13,300	12,400
Ending Stocks	848	848	714	714	1,364	1,314
Total Distribution	18,692	18,686	15,050	15,050	17,964	16,214

1000 HA, 1000 MT, MT/HA

PSD, Corn

Corn Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,604	1,550	1,937	1,937	2,150	2,200
Beginning Stocks	72	94	350	350	313	313
Production	6,962	6,680	8,213	8,213	9,000	9,700
MY Imports	43	50	50	50	50	50
TY Imports	43	50	50	50	50	50
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	7,077	6,824	8,613	8,613	9,363	10,063
MY Exports	2,027	2,027	2,000	2,000	2,000	2,000
TY Exports	2,027	2,027	2,000	2,000	2,000	2,000
Feed and Residual	4,000	3,747	5,500	5,500	6,100	6,700
FSI Consumption	700	700	800	800	900	900
Total Consumption	4,700	4,447	6,300	6,300	7,000	7,600
Ending Stocks	350	350	313	313	363	463

Total Distribution	7,077	6,824	8,613	8,613	9,363	10,063
1000 HA, 1000 MT, MT/HA						

PSD, Rye

Rye Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,522	1,520	1,421	1,450	1,800	1,500
Beginning Stocks	250	282	129	129	128	111
Production	2,967	2,967	2,132	2,132	3,500	3,100
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	3,217	3,249	2,261	2,261	3,628	3,211
MY Exports	238	236	133	150	100	100
TY Exports	284	284	125	125	100	100
Feed and Residual	200	200	100	100	300	300
FSI Consumption	2,650	2,684	1,900	1,900	2,900	2,500
Total Consumption	2,850	2,884	2,000	2,000	3,200	2,800
Ending Stocks	129	129	128	111	328	311
Total Distribution	3,217	3,249	2,261	2,261	3,628	3,211
1000 HA, 1000 MT, MT/HA						

PSD, Rice

Rice, Milled Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	207	207	192	185	185	195
Beginning Stocks	89	89	28	28	22	22
Milled Production	686	686	684	684	650	615
Rough Production	1,055	1,055	1,052	1,052	1,000	946
Milling Rate (.9999)	6,500	6,500	6,500	6,500	6,500	6,500
MY Imports	194	194	200	200	220	250
TY Imports	194	194	200	200	220	250
TY Imp. from U.S.	4	0	0	20	0	20
Total Supply	969	969	912	912	892	887
MY Exports	281	281	210	210	180	160
TY Exports	281	281	210	210	180	160
Consumption and Residual	660	660	680	680	690	700
Ending Stocks	28	28	22	22	22	27
Total Distribution	969	969	912	912	892	887
1000 HA, 1000 MT, MT/HA						

PSD, Oats

Oats Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2,930	2,930	2,856	2,850	3,000	2,800
Beginning Stocks	167	194	485	485	203	202
Production	5,332	5,334	4,027	4,027	5,000	4,500
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0

Total Supply	5,499	5,528	4,512	4,512	5,203	4,702
MY Exports	14	14	9	10	10	0
TY Exports	18	18	10	10	10	0
Feed and Residual	3,500	3,529	2,900	2,900	3,500	3,000
FSI Consumption	1,500	1,500	1,400	1,400	1,500	1,500
Total Consumption	5,000	5,029	4,300	4,300	5,000	4,500
Ending Stocks	485	485	203	202	193	202
Total Distribution	5,499	5,528	4,512	4,512	5,203	4,702
1000 HA, 1000 MT, MT/HA						

PSD, Millet

[illegible]